Statement for the Record of John Bozzella
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House Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing and Trade
Disrupter Series: Self-Driving Cars

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On behalf of the Association of Global Automakers ("Global Automakers"), I am pleased to provide the following statement for the record of the House Energy and Commerce Committee Subcommittee on Commerce, Manufacturing and Trade hearing entitled "Disrupter Series: Self-Driving Cars." Global Automakers represents international automobile manufacturers that design, build, and sell cars and light trucks in the United States. These companies have invested $52 billion in U.S.-based facilities, directly employ more than 100,000 Americans, and sell 47 percent of all new vehicles purchased annually in the country. Combined, our members operate more than 300 production, design, R&D, sales, finance and other facilities across the United States.

The automotive industry is in the midst of an unprecedented wave of technological innovation that is redefining how we think about transportation. Advancements in connected and automated vehicle technology promise to enhance mobility, help save lives, improve transportation efficiency, and reduce fuel consumption and associated emissions. Over the past several decades, our members have made tremendous strides in safety by improving vehicle crashworthiness; today, automakers are deploying crash avoidance technologies to help prevent crashes from occurring altogether. Our members are at the forefront of this innovation, as they have made, and continue to make, substantial investments in the research and development of automated vehicle systems and other advanced automotive technologies.

While we are indeed at the cusp of a transportation revolution, transformations are not inevitable or accidental. Public policy can either spur investment and innovation, or hinder them, depending on which policy choices are made. Effective public policy on connected and automated vehicles should have two components. First, it should be flexible and provide room for innovators to

develop, test and sell new technologies. Overly prescriptive and rigid regulation would slow and limit innovation. Second, manufacturers should be able to build vehicles and systems that can be sold in all fifty states. A patchwork of inconsistent laws and regulation would be unworkable.

Over the last several months, we have seen a number of positive steps from both government and industry that will help pave the way for a more connected and automated future. The National Highway Traffic Safety Administration (NHTSA) Federal Automated Vehicle Policy, released in September 2016, provides a policy framework that is more flexible and nimble than the formal rulemaking process, and recognizes that technology can advance more rapidly than regulation. Last month, NHTSA issued its *Cybersecurity Best Practices for Modern Vehicles* to complement the important efforts already underway within the Automotive Information Sharing and Analysis Center (Auto-ISAC) to develop industry-led best practices to enhance vehicle cybersecurity as systems become more electronic and connected. Issues of consumer privacy have also been addressed through the automakers' consumer privacy protection principles. These actions, by federal regulators and industry, help spur the development of live-saving technologies and ensure that the public has confidence in them.

We would like to focus our statement on NHTSA's Federal Automated Vehicle Policy, which is divided into four main sections. First, the *Vehicle Performance Guidance for Automated Vehicles* outlines recommended practices for the safe pre-deployment design, development and testing of highly automated vehicle systems prior to the sale or operation on public roads. The Guidance was designed to be flexible and dynamic; it is intended by NHTSA to highlight important areas that manufacturers should consider and address as they design and test their systems. The Guidance provides for a "*Safety Assessment Letter*", a voluntary tool by which developers would communicate to the agency how it addresses fifteen key safety areas in designing their vehicles and systems. NHTSA is in the midst of developing a template for the Letter, and we believe NHTSA should establish a clearly defined and practicable approach that does not create an undue administrative burden that could slow innovation. It is also our expectation that NHTSA will not use the Guidance and the Safety Assessment Letter as a mechanism for "premarket approval" (or "premarket disapproval") of automated vehicle technology, as this would extend beyond the agency's current authority.

Second, the agency has developed a *Model State Policy* which seeks to provide guidance to the States in order to help support a more uniform nationwide approach to automated vehicle policy. While the Policy cannot in itself preempt state action, it does set a clear marker in defining the roles of State government in addressing issues related to vehicle automation. We support the strong statements in the Policy that affirm that "[t]he shared objective is to ensure the establishment of a consistent national framework rather than a patchwork of incompatible laws," and that "[the] Guidance is not intended for States to codify as legal requirements for the development, design, manufacture, testing, and operation of automated vehicles."

However, despite the guidance in the Model State Policy, several states are in the process of establishing their own regulatory programs for automated vehicles. In some instances, state departments of motor vehicles would assume the responsibility of determining whether a particular automated vehicle or system is safe and thus may be sold or operated in the state. Such state-by-state regulations would present a significant obstacle to the future testing and deployment of automated vehicles. While the Model State Policy clearly delineates the federal roles and states' roles, it does not clearly limit or prevent state regulation of automated vehicle design and performance.

Additionally, we have some concerns with certain recommendations in the Model State Policy that encourage states to regulate automated vehicle test programs. Already, we have seen state proposals to require manufacturers to obtain an ordinance authorizing testing from each local jurisdiction in which testing will be conducted. However, Federal law authorizes original manufacturers to conduct on-road test programs and authorizes NHTSA to regulate test programs. Allowing a patchwork of state and local test requirements for automated vehicle testing would significantly obstruct the development of these vehicles. We are open to working with NHTSA and Congress to ensure there is a path forward for automated vehicle deployment without unnecessary obstacles at the state level.

Third, the Federal Policy provides a useful description of the agency's current *regulatory tools*, which includes issuance of safety standards, interpretations of the meaning and application of

standards, and exemptions from standards, as well as the agency's ability to take enforcement action regarding safety related defects. Each of these tools could have a valuable application in facilitating and regulating the entry of automated vehicles into U.S. commerce. At the same time, we must consider the long-term efficacy of these tools in determining whether other regulatory and non-regulatory policies may be appropriate and necessary in the future. It is important that any action be data driven and technology neutral.

Finally, the agency discusses the potential *new tools and authorities* that may be necessary in addressing the challenges and opportunities involved in facilitating the deployment of automated vehicles. We agree with NHTSA's assessment that new authorities could assist the agency in facilitating the development and introduction of automated technology. However, imprudent legislation in this area could have the opposite effect and delay technology development. For example, we see no basis at all for any change to the self-certification system for vehicles. The Federal Policy's discussion of the Federal Aviation Administration (FAA) process of "premarket approval" is not practical given the structural differences between the automotive industry and aviation sector, and implementation of such an approach could significantly slow innovation. Similarly, the Safety Assessment Letter should not be used as a means to prohibit testing or deployment of technology without adequate data to support an unreasonable safety risk.

We believe that NHTSA's Federal Automated Vehicle Policy is an important first step in the development of a flexible and nimble approach that can adapt to the pace of technology. However, the document requires further clarification and refinement to achieve these goals. Global Automakers is currently preparing comments on the NHTSA guidance and will provide a copy to the Committee upon submission to NHTSA. Additionally, we agree with NHTSA that the agency should update its Federal Automated Vehicle Policy and regularly review the Policy, as it is designed to never be frozen or final. Global Automakers and its members remain committed to working with federal, state, and local governments to ensure there is a flexible, consistent framework for automated vehicle technologies so consumers can fully realize the benefits as quickly as possible.

While NHTSA's Federal Automated Vehicle Policy was a significant step towards a workable policy that will promote the development of life-saving automated vehicle systems, more can be done at the federal level. Perhaps most important is providing the framework for the deployment of vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communications through Dedicated Short Range Communication (DSRC) connectivity. These systems, which operate in the 5.9 GHz Safety Spectrum, will augment on-board sensor information to help improve the decisions made by automated vehicles regarding safety-critical situations and also improve the transition to a more automated fleet in the future by increasing situational awareness between both automated and non-automated vehicles on the road. The Department of Transportation is developing a new vehicle safety standard that would require vehicles to be equipped with DSRC technology. Global Automakers looks forward to the release of the proposed rule, and will continue to work with the Federal Communications Commission to ensure that the Safety Spectrum remains free from harmful interference.

The automobile industry continues to provide innovative technologies with demonstrable safety, mobility, and environmental benefits. To achieve these benefits, there must be close collaboration and coordination among and between government, industry, academia, and other stakeholders. Global Automakers and our member companies believe that connected and automated vehicles represent the next giant leap towards our shared long-term goal of safer and cleaner, and more efficient vehicle transportation.